

ANNUAL STATEMENT

For the Year Ending December 31, 2012

OF THE CONDITION AND AFFAIRS OF THE

HealthPlus of Michigan, Inc.

NAIC Group Code	3409	3409	NAIC Company Code	95580	Employer's ID Number	38-2160688
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ]		Property/Casualty[ ]		Hospital, Medical & Dental Service or Indemnity[ ]	
	Dental Service Corporation[ ]		Vision Service Corporation[ ]		Health Maintenance Organization[X]	
	Other[ ]		Is HMO Federally Qualified? Yes[X] No[ ] N/A[ ]			
Incorporated/Organized	08/09/1977		Commenced Business	10/15/1979		
Statutory Home Office	2050 South Linden Road		Flint, MI, 48532			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Main Administrative Office	2050 South Linden Road		2050 South Linden Road			
			(Street and Number)			
	Flint, MI, 48532		(800)332-9161			
	(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Mail Address	2050 South Linden Road, P.O. Box 1700		Flint, MI, 48501-1700			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	2050 South Linden Road		2050 South Linden Road			
			(Street and Number)			
	Flint, MI, 48532		(800)332-9161			
	(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Internet Website Address	www.healthplus.org					
Statutory Statement Contact	Matthew Andrew Mendrygal, C.P.A.		(810)230-2179			
	(Name)		(Area Code)(Telephone Number)(Extension)			
	mmendryg@healthplus.com		(810)733-8966			
	(E-Mail Address)		(Fax Number)			

OFFICERS

Name	Title
Bruce Roberts Hill	President
Matthew Andrew Mendrygal C.P.A.	Chief Financial Officer
Roger LaVerne Sharp	Treasurer

OTHERS

Erik Dorwin Helms, VP-Provider Network Development/Business Intell.

Nancy Susan Jenkins, Vice President - Membership Growth

DIRECTORS OR TRUSTEES

Jack Louis Barry MD	Vernon Lee Burns
Duane Edward Zuckschwerdt	Peggy Joyce Tortorice
Steven Craig Worden	Stephanie Lynn Whisiker-Lewis DO
Christopher John Flores	Patrick Allen Campbell
Larry Leigh Carr DO	Roger LaVerne Sharp
Miles Conrad Owens	Norwood Heselbach Jewell
Franz Michael Jaggi DO	Randy D. Hicks MD
Thomas Svitkovich	

State ofMichigan

County ofGeneseess

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Bruce Roberts Hill	Matthew Andrew Mendrygal	Roger LaVerne Sharp
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Chief Financial Officer	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this

day of, 2013

a. Is this an original filing?

b. If no,

1. State the amendment number

2. Date filed

3. Number of pages attached

Yes[X] No[ ]

0

0

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D) .....	0	0	0	12,355,324
2.	Stocks (Schedule D)				
2.1	Preferred stocks .....	0	0	0	0
2.2	Common Stocks .....	72,991,587	0	72,991,587	56,385,048
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens .....	0	0	0	0
3.2	Other than first liens .....	0	0	0	0
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances) .....	4,359,392	0	4,359,392	4,779,103
4.2	Properties held for the production of income (less \$.....0 encumbrances) .....	0	0	0	0
4.3	Properties held for sale (less \$.....0 encumbrances) .....	0	0	0	0
5.	Cash (\$.....(3,620,083) Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....83,445,772 Schedule DA) .....	79,825,691	0	79,825,691	85,779,182
6.	Contract loans (including \$.....0 premium notes) .....	0	0	0	0
7.	Derivatives (Schedule DB) .....	0	0	0	0
8.	Other invested assets (Schedule BA) .....	0	0	0	0
9.	Receivables for securities .....	0	0	0	0
10.	Securities Lending Reinvested Collateral Assets (Schedule DL) .....	0	0	0	0
11.	Aggregate write-ins for invested assets .....	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11) .....	157,176,670	0	157,176,670	159,298,657
13.	Title plants less \$.....0 charged off (for Title insurers only) .....	0	0	0	0
14.	Investment income due and accrued .....	434,865	0	434,865	105,957
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection .....	6,370,438	0	6,370,438	3,325,995
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....	0	0	0	0
15.3	Accrued retrospective premiums .....	2,900,000	0	2,900,000	2,166,909
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers .....	150,000	0	150,000	0
16.2	Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3	Other amounts receivable under reinsurance contracts .....	0	0	0	0
17.	Amounts receivable relating to uninsured plans .....	400,094	0	400,094	433,035
18.1	Current federal and foreign income tax recoverable and interest thereon .....	0	0	0	0
18.2	Net deferred tax asset .....	0	0	0	0
19.	Guaranty funds receivable or on deposit .....	0	0	0	0
20.	Electronic data processing equipment and software .....	5,308,266	3,895,394	1,412,872	1,239,180
21.	Furniture and equipment, including health care delivery assets (\$.....0) .....	431,944	431,944	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23.	Receivables from parent, subsidiaries and affiliates .....	709,540	0	709,540	719,138
24.	Health care (\$.....5,273,614) and other amounts receivable .....	5,305,300	0	5,305,300	2,977,730
25.	Aggregate write-ins for other than invested assets .....	1,309,484	1,309,484	0	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	180,496,601	5,636,822	174,859,779	170,266,601
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28.	Total (Lines 26 and 27) .....	180,496,601	5,636,822	174,859,779	170,266,601
DETAILS OF WRITE-INS					
1101.	.....	0	0	0	0
1102.	.....	0	0	0	0
1103.	.....	0	0	0	0
1198.	Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501.	Prepaid Expenses .....	1,309,484	1,309,484	0	0
2502.	.....	0	0	0	0
2503.	.....	0	0	0	0
2598.	Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	1,309,484	1,309,484	0	0

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1	2	3	4
		Covered	Uncovered	Total	Total
1.	Claims unpaid (less \$.....0 reinsurance ceded) .....	49,601,205	0	49,601,205	49,197,430
2.	Accrued medical incentive pool and bonus amounts .....	16,102,985	0	16,102,985	14,825,068
3.	Unpaid claims adjustment expenses .....	608,150	0	608,150	554,396
4.	Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....	516,007	0	516,007	0
5.	Aggregate life policy reserves .....	0	0	0	0
6.	Property/casualty unearned premium reserves .....	0	0	0	0
7.	Aggregate health claim reserves .....	0	0	0	0
8.	Premiums received in advance .....	2,016,532	0	2,016,532	1,028,164
9.	General expenses due or accrued .....	7,131,353	0	7,131,353	7,105,382
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....	0	0	0	0
10.2	Net deferred tax liability .....	0	0	0	0
11.	Ceded reinsurance premiums payable .....	0	0	0	0
12.	Amounts withheld or retained for the account of others .....	97,167	0	97,167	80,414
13.	Remittances and items not allocated .....	0	0	0	0
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....	0	0	0	0
15.	Amounts due to parent, subsidiaries and affiliates .....	2,563,699	0	2,563,699	1,216,710
16.	Derivatives .....	0	0	0	0
17.	Payable for securities .....	0	0	0	0
18.	Payable for securities lending .....	0	0	0	0
19.	Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) .....	0	0	0	0
20.	Reinsurance in unauthorized and certified (\$.....0) companies .....	0	0	0	0
21.	Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0	0	0
22.	Liability for amounts held under uninsured plans .....	156,103	0	156,103	0
23.	Aggregate write-ins for other liabilities (including \$.....53,488 current) .....	144,807	0	144,807	151,759
24.	TOTAL Liabilities (Lines 1 to 23) .....	78,938,008	0	78,938,008	74,159,323
25.	Aggregate write-ins for special surplus funds .....	X X X	X X X	0	0
26.	Common capital stock .....	X X X	X X X	0	0
27.	Preferred capital stock .....	X X X	X X X	0	0
28.	Gross paid in and contributed surplus .....	X X X	X X X	170,511	170,511
29.	Surplus notes .....	X X X	X X X	0	0
30.	Aggregate write-ins for other than special surplus funds .....	X X X	X X X	0	0
31.	Unassigned funds (surplus) .....	X X X	X X X	95,751,260	95,936,767
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0) .....	X X X	X X X	0	0
32.2	.....0 shares preferred (value included in Line 27 \$.....0) .....	X X X	X X X	0	0
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	X X X	X X X	95,921,771	96,107,278
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	X X X	X X X	174,859,779	170,266,601
DETAILS OF WRITE-INS					
2301.	Other Current Liabilities .....	53,488	0	53,488	151,759
2302.	Other Post-employment Benefits Obligation .....	91,319	0	91,319	0
2303.	.....	0	0	0	0
2398.	Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	144,807	0	144,807	151,759
2501.	.....	X X X	X X X	0	0
2502.	.....	X X X	X X X	0	0
2503.	.....	X X X	X X X	0	0
2598.	Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X	0	0
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	X X X	X X X	0	0
3001.	.....	X X X	X X X	0	0
3002.	.....	X X X	X X X	0	0
3003.	.....	X X X	X X X	0	0
3098.	Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X	0	0
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	X X X	X X X	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months .....	X X X .....	894,276	883,478
2.	Net premium income (including \$.....0 non-health premium income) .....	X X X .....	505,081,873	481,337,427
3.	Change in unearned premium reserves and reserve for rate credits .....	X X X .....	0	0
4.	Fee-for-service (net of \$.....0 medical expenses) .....	X X X .....	0	0
5.	Risk revenue .....	X X X .....	0	0
6.	Aggregate write-ins for other health care related revenues .....	X X X .....	0	0
7.	Aggregate write-ins for other non-health revenues .....	X X X .....	0	0
8.	TOTAL Revenues (Lines 2 to 7) .....	X X X .....	505,081,873	481,337,427
Hospital and Medical:				
9.	Hospital/medical benefits .....	0	341,697,205	330,797,286
10.	Other professional services .....	0	0	0
11.	Outside referrals .....	0	0	0
12.	Emergency room and out-of-area .....	0	19,323,066	18,287,683
13.	Prescription drugs .....	0	67,984,326	64,104,769
14.	Aggregate write-ins for other hospital and medical .....	0	40,513	2,204
15.	Incentive pool, withhold adjustments and bonus amounts .....	0	17,219,734	17,959,292
16.	Subtotal (Lines 9 to 15) .....	0	446,264,844	431,151,234
Less:				
17.	Net reinsurance recoveries .....	0	204,400	0
18.	TOTAL Hospital and Medical (Lines 16 minus 17) .....	0	446,060,444	431,151,234
19.	Non-health claims (net) .....	0	0	0
20.	Claims adjustment expenses, including \$.....4,586,835 cost containment expenses .....	0	7,930,492	6,763,802
21.	General administrative expenses .....	0	42,472,933	38,687,151
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....	0	516,007	0
23.	TOTAL Underwriting Deductions (Lines 18 through 22) .....	0	496,979,876	476,602,187
24.	Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X .....	8,101,997	4,735,240
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	0	1,576,408	3,859,389
26.	Net realized capital gains (losses) less capital gains tax of \$.....0 .....	0	512,394	103,258
27.	Net investment gains (losses) (Lines 25 plus 26) .....	0	2,088,802	3,962,647
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....	0	0	0
29.	Aggregate write-ins for other income or expenses .....	0	3,802	5,747
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X .....	10,194,601	8,703,634
31.	Federal and foreign income taxes incurred .....	X X X .....	0	0
32.	Net income (loss) (Lines 30 minus 31) .....	X X X .....	10,194,601	8,703,634
DETAILS OF WRITE-INS				
0601.	.....	X X X .....	0	0
0602.	.....	X X X .....	0	0
0603.	.....	X X X .....	0	0
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....	0	0
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....	0	0
0701.	.....	X X X .....	0	0
0702.	.....	X X X .....	0	0
0703.	.....	X X X .....	0	0
0798.	Summary of remaining write-ins for Line 7 from overflow page .....	X X X .....	0	0
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X .....	0	0
1401.	Other Medical Expense .....	0	40,513	2,204
1402.	.....	0	0	0
1403.	.....	0	0	0
1498.	Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	0	40,513	2,204
2901.	Other Revenue .....	0	3,802	5,747
2902.	.....	0	0	0
2903.	.....	0	0	0
2998.	Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....	0	3,802	5,747

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year .....	96,107,278	91,123,108
34.	Net income or (loss) from Line 32 .....	10,194,601	8,703,634
35.	Change in valuation basis of aggregate policy and claim reserves .....	0	0
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....	(9,725,342)	(4,359,708)
37.	Change in net unrealized foreign exchange capital gain or (loss) .....	0	0
38.	Change in net deferred income tax .....	0	0
39.	Change in nonadmitted assets .....	(1,351,395)	640,244
40.	Change in unauthorized and certified reinsurance .....	0	0
41.	Change in treasury stock .....	0	0
42.	Change in surplus notes .....	0	0
43.	Cumulative effect of changes in accounting principles .....	0	0
44.	Capital Changes:		
44.1	Paid in .....	0	0
44.2	Transferred from surplus (Stock Dividend) .....	0	0
44.3	Transferred to surplus .....	0	0
45.	Surplus adjustments:		
45.1	Paid in .....	0	0
45.2	Transferred to capital (Stock Dividend) .....	0	0
45.3	Transferred from capital .....	0	0
46.	Dividends to stockholders .....	0	0
47.	Aggregate write-ins for gains or (losses) in surplus .....	696,629	0
48.	Net change in capital and surplus (Lines 34 to 47) .....	(185,507)	4,984,170
49.	Capital and surplus end of reporting year (Line 33 plus 48) .....	95,921,771	96,107,278
DETAILS OF WRITE-INS			
4701.	Adjustment of 2011 Other Post-employment Benefit Obligation to statutory balance .....	732,407	0
4702.	Unrecognized Other Post-employment Benefit Obligation .....	(35,778)	0
4703.	.....	0	0
4798.	Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	696,629	0

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance .....	502,808,714	491,241,465
2.	Net investment income .....	1,267,127	3,923,516
3.	Miscellaneous income .....	0	0
4.	Total (Lines 1 through 3) .....	504,075,841	495,164,981
5.	Benefit and loss related payments .....	447,372,434	423,668,973
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	47,958,135	42,958,344
8.	Dividends paid to policyholders .....	0	0
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	0	0
10.	Total (Lines 5 through 9) .....	495,330,569	466,627,317
11.	Net cash from operations (Line 4 minus Line 10) .....	8,745,272	28,537,664
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	13,342,254	1,250,000
12.2	Stocks .....	3,095,005	360,902
12.3	Mortgage loans .....	0	0
12.4	Real estate .....	0	0
12.5	Other invested assets .....	0	0
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	6,182
12.7	Miscellaneous proceeds .....	0	0
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	16,437,259	1,617,084
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	760,324	401,987
13.2	Stocks .....	29,160,726	508,547
13.3	Mortgage loans .....	0	0
13.4	Real estate .....	393,458	254,704
13.5	Other invested assets .....	0	0
13.6	Miscellaneous applications .....	0	0
13.7	Total investments acquired (Lines 13.1 to 13.6) .....	30,314,508	1,165,238
14.	Net increase (decrease) in contract loans and premium notes .....	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(13,877,249)	451,846
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....	0	0
16.2	Capital and paid in surplus, less treasury stock .....	0	0
16.3	Borrowed funds .....	0	0
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5	Dividends to stockholders .....	0	0
16.6	Other cash provided (applied) .....	(821,514)	286,086
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(821,514)	286,086
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(5,953,491)	29,275,596
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	85,779,182	56,503,586
19.2	End of year (Line 18 plus Line 19.1) .....	79,825,691	85,779,182

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	.....	0	0
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income .....	505,081,873	268,277,863	0	0	0	19,852,892	216,951,118	0	0	0
2.	Change in unearned premium reserves and reserve for rate credit .....	0	0	0	0	0	0	0	0	0	0
3.	Fee-for-service (net of \$.....0 medical expenses) .....	0	0	0	0	0	0	0	0	0	X X X
4.	Risk revenue .....	0	0	0	0	0	0	0	0	0	X X X
5.	Aggregate write-ins for other health care related revenues .....	0	0	0	0	0	0	0	0	0	X X X
6.	Aggregate write-ins for other non-health care related revenues .....	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
7.	TOTAL Revenues (Lines 1 to 6) .....	505,081,873	268,277,863	0	0	0	19,852,892	216,951,118	0	0	0
8.	Hospital/medical benefits .....	341,697,205	178,693,015	0	0	0	13,379,371	149,624,819	0	0	X X X
9.	Other professional services .....	0	0	0	0	0	0	0	0	0	X X X
10.	Outside referrals .....	0	0	0	0	0	0	0	0	0	X X X
11.	Emergency room and out-of-area .....	19,323,066	13,461,066	0	0	0	1,015,951	4,846,049	0	0	X X X
12.	Prescription drugs .....	67,984,326	35,572,352	0	0	0	2,525,786	29,886,188	0	0	X X X
13.	Aggregate write-ins for other hospital and medical .....	40,513	40,513	0	0	0	0	0	0	0	X X X
14.	Incentive pool, withhold adjustments and bonus amounts .....	17,219,734	13,568,361	0	0	0	376,748	3,274,625	0	0	X X X
15.	Subtotal (Lines 8 to 14) .....	446,264,844	241,335,307	0	0	0	17,297,856	187,631,681	0	0	X X X
16.	Net reinsurance recoveries .....	204,400	204,400	0	0	0	0	0	0	0	X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16) .....	446,060,444	241,130,907	0	0	0	17,297,856	187,631,681	0	0	X X X
18.	Non-health claims (net) .....	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
19.	Claims adjustment expenses including \$.....4,586,835 cost containment expenses .....	7,930,492	4,981,929	0	0	0	384,251	2,564,312	0	0	0
20.	General administrative expenses .....	42,472,933	26,681,461	0	0	0	2,057,914	13,733,558	0	0	0
21.	Increase in reserves for accident and health contracts .....	516,007	0	0	0	0	0	516,007	0	0	X X X
22.	Increase in reserves for life contracts .....	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
23.	TOTAL Underwriting Deductions (Lines 17 to 22) .....	496,979,876	272,794,297	0	0	0	19,740,021	204,445,558	0	0	0
24.	Net underwriting gain or (loss) (Line 7 minus Line 23) .....	8,101,997	(4,516,434)	0	0	0	112,871	12,505,560	0	0	0
DETAILS OF WRITE-INS											
0501.	.....	0	0	0	0	0	0	0	0	0	X X X
0502.	.....	0	0	0	0	0	0	0	0	0	X X X
0503.	.....	0	0	0	0	0	0	0	0	0	X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0	X X X
0601.	.....	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
0602.	.....	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
0603.	.....	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
1301.	Other Medical .....	40,513	40,513	0	0	0	0	0	0	0	X X X
1302.	.....	0	0	0	0	0	0	0	0	0	X X X
1303.	.....	0	0	0	0	0	0	0	0	0	X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0	0	0	0	0	0	0	X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....	40,513	40,513	0	0	0	0	0	0	0	X X X

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS

		1	2	3	4
		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
Line of Business					
1.	Comprehensive (hospital and medical) .....	268,773,592	0	495,729	268,277,863
2.	Medicare Supplement .....	0	0	0	0
3.	Dental only .....	0	0	0	0
4.	Vision only .....	0	0	0	0
5.	Federal Employees Health Benefits Plan .....	19,887,337	0	34,445	19,852,892
6.	Title XVIII - Medicare .....	216,993,235	0	42,117	216,951,118
7.	Title XIX - Medicaid .....	0	0	0	0
8.	Other health .....	0	0	0	0
9.	Health subtotal (Lines 1 through 8) .....	505,654,164	0	572,291	505,081,873
10.	Life .....	0	0	0	0
11.	Property/casualty .....	0	0	0	0
12.	TOTALS (Lines 9 to 11) .....	505,654,164	0	572,291	505,081,873



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	430,969,010	228,539,197	0	0	0	16,703,817	185,725,996	0	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	54,400	54,400	0	0	0	0	0	0	0	0
1.4 Net	430,914,610	228,484,797	0	0	0	16,703,817	185,725,996	0	0	0
2. Paid medical incentive pools and bonuses	15,941,817	13,573,011	0	0	0	595,426	1,773,380	0	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	49,601,205	27,874,396	0	0	0	2,078,036	19,648,773	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	49,601,205	27,874,396	0	0	0	2,078,036	19,648,773	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	16,102,985	12,365,760	0	0	0	376,748	3,360,477	0	0	0
6. Net healthcare receivables (a)	2,327,675	994,502	0	0	0	0	1,333,173	0	0	0
7. Amounts recoverable from reinsurers December 31, current year	150,000	150,000	0	0	0	0	0	0	0	0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	49,197,430	27,652,145	0	0	0	1,860,745	19,684,540	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	49,197,430	27,652,145	0	0	0	1,860,745	19,684,540	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	14,825,068	12,370,410	0	0	0	595,426	1,859,232	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	429,045,110	227,766,946	0	0	0	16,921,108	184,357,056	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	204,400	204,400	0	0	0	0	0	0	0	0
12.4 Net	428,840,710	227,562,546	0	0	0	16,921,108	184,357,056	0	0	0
13. Incurred medical incentive pools and bonuses	17,219,734	13,568,361	0	0	0	376,748	3,274,625	0	0	0

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	14,950,264	7,756,186	0	0	0	1,132,955	6,061,123	0	0	0
1.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
1.4 Net .....	14,950,264	7,756,186	0	0	0	1,132,955	6,061,123	0	0	0
2. Incurred but Unreported:										
2.1 Direct .....	31,452,525	17,827,111	0	0	0	787,308	12,838,106	0	0	0
2.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
2.4 Net .....	31,452,525	17,827,111	0	0	0	787,308	12,838,106	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	3,198,416	2,291,099	0	0	0	157,773	749,544	0	0	0
3.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
3.4 Net .....	3,198,416	2,291,099	0	0	0	157,773	749,544	0	0	0
4. TOTALS										
4.1 Direct .....	49,601,205	27,874,396	0	0	0	2,078,036	19,648,773	0	0	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
4.4 Net .....	49,601,205	27,874,396	0	0	0	2,078,036	19,648,773	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical) .....	23,547,682	210,656,024	2,026,951	25,847,445	25,574,633	27,652,145
2.	Medicare Supplement .....	0	0	0	0	0	0
3.	Dental only .....	0	0	0	0	0	0
4.	Vision only .....	0	0	0	0	0	0
5.	Federal Employees Health Benefits Plan .....	1,736,193	14,967,625	0	2,078,036	1,736,193	1,860,745
6.	Title XVIII - Medicare .....	17,742,025	168,473,961	336,734	19,312,039	18,078,759	19,684,540
7.	Title XIX - Medicaid .....	0	0	0	0	0	0
8.	Other health .....	0	0	0	0	0	0
9.	Health subtotal (Lines 1 to 8) .....	43,025,900	394,097,610	2,363,685	47,237,520	45,389,585	49,197,430
10.	Healthcare receivables (a) .....	2,882,534	3,476,365	630,000	4,643,616	3,512,534	2,945,940
11.	Other non-health .....	0	0	0	0	0	0
12.	Medical incentive pool and bonus amounts .....	12,705,994	3,235,823	3,438,457	12,664,528	16,144,451	14,825,068
13.	TOTALS (Lines 9 - 10 + 11 + 12) .....	52,849,360	393,857,068	5,172,142	55,258,432	58,021,502	61,076,558

(a) Excludes \$......0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior .....	63,116	0	0	0	0
2.	2008 .....	302,348	60,004	0	0	0
3.	2009 .....	X X X	331,388	57,583	0	0
4.	2010 .....	X X X	X X X	349,766	52,477	0
5.	2011 .....	X X X	X X X	X X X	371,192	52,849
6.	2012 .....	X X X	X X X	X X X	X X X	393,857

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior .....	65,283	0	0	0	0
2.	2008 .....	365,083	62,265	0	0	0
3.	2009 .....	X X X	394,113	62,687	0	0
4.	2010 .....	X X X	X X X	402,045	55,900	0
5.	2011 .....	X X X	X X X	X X X	431,791	58,652
6.	2012 .....	X X X	X X X	X X X	X X X	453,759

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2008 .....	417,708	362,352	12,398	3.422	374,750	89.716	0	0	374,750	89.716
2.	2009 .....	436,068	388,971	9,640	2.478	398,611	91.410	0	0	398,611	91.410
3.	2010 .....	444,574	402,243	6,305	1.567	408,548	91.897	0	0	408,548	91.897
4.	2011 .....	481,877	424,041	6,926	1.633	430,967	89.435	5,802	0	436,769	90.639
5.	2012 .....	505,654	393,857	6,869	1.744	400,726	79.249	59,902	608	461,236	91.216

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical  
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior .....	56,610	0	0	0	0
2.	2008 .....	266,440	52,268	0	0	0
3.	2009 .....	X X X	228,568	42,252	0	0
4.	2010 .....	X X X	X X X	204,887	36,053	0
5.	2011 .....	X X X	X X X	X X X	208,321	32,476
6.	2012 .....	X X X	X X X	X X X	X X X	209,431

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior .....	58,093	0	0	0	0
2.	2008 .....	320,779	54,246	0	0	0
3.	2009 .....	X X X	273,983	46,317	0	0
4.	2010 .....	X X X	X X X	241,048	38,191	0
5.	2011 .....	X X X	X X X	X X X	246,205	36,886
6.	2012 .....	X X X	X X X	X X X	X X X	245,262

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2008 .....	365,510	318,708	10,764	3.377	329,472	90.140	0	0	329,472	90.140
2.	2009 .....	298,405	270,820	6,244	2.306	277,064	92.848	0	0	277,064	92.848
3.	2010 .....	263,504	240,940	3,663	1.520	244,603	92.827	0	0	244,603	92.827
4.	2011 .....	271,998	240,798	4,360	1.811	245,158	90.132	4,409	0	249,567	91.753
5.	2012 .....	268,774	209,431	4,232	2.021	213,663	79.495	35,831	354	249,848	92.958

12     Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12     Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

12     Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)  
Federal Employees Health Benefits Plan Premiums  
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior .....	763	0	0	0	0
2.	2008 .....	7,303	712	0	0	0
3.	2009 .....	X X X	8,166	887	0	0
4.	2010 .....	X X X	X X X	8,671	1,098	0
5.	2011 .....	X X X	X X X	X X X	11,353	2,332
6.	2012 .....	X X X	X X X	X X X	X X X	14,968

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior .....	947	0	0	0	0
2.	2008 .....	8,443	712	0	0	0
3.	2009 .....	X X X	9,265	887	0	0
4.	2010 .....	X X X	X X X	9,856	1,098	0
5.	2011 .....	X X X	X X X	X X X	13,809	2,332
6.	2012 .....	X X X	X X X	X X X	X X X	17,422

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2008 .....	8,738	8,015	260	3.244	8,275	94.701	0	0	8,275	94.701
2.	2009 .....	9,103	9,053	209	2.309	9,262	101.747	0	0	9,262	101.747
3.	2010 .....	11,188	9,769	165	1.689	9,934	88.792	0	0	9,934	88.792
4.	2011 .....	16,025	13,684	298	2.178	13,982	87.251	0	0	13,982	87.251
5.	2012 .....	19,887	14,968	333	2.225	15,301	76.940	2,455	0	17,756	89.284

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior .....	5,743	0	0	0	0
2.	2008 .....	28,605	7,024	0	0	0
3.	2009 .....	X X X	94,654	14,444	0	0
4.	2010 .....	X X X	X X X	136,208	15,326	0
5.	2011 .....	X X X	X X X	X X X	151,518	18,041
6.	2012 .....	X X X	X X X	X X X	X X X	169,458

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior .....	6,243	0	0	0	0
2.	2008 .....	35,861	7,307	0	0	0
3.	2009 .....	X X X	110,865	15,483	0	0
4.	2010 .....	X X X	X X X	151,141	16,611	0
5.	2011 .....	X X X	X X X	X X X	171,777	19,434
6.	2012 .....	X X X	X X X	X X X	X X X	191,075

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2008 .....	43,460	35,629	1,374	3.856	37,003	85.143	0	0	37,003	85.143
2.	2009 .....	128,560	109,098	3,187	2.921	112,285	87.341	0	0	112,285	87.341
3.	2010 .....	169,882	151,534	2,477	1.635	154,011	90.658	0	0	154,011	90.658
4.	2011 .....	193,854	169,559	2,268	1.338	171,827	88.637	1,393	0	173,220	89.356
5.	2012 .....	216,993	169,458	2,304	1.360	171,762	79.156	21,616	254	193,632	89.234



12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other . . . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	0	0	0	0	0	0	0	0	0
2. Additional policy reserves (a) .....	0	0	0	0	0	0	0	0	0
3. Reserve for future contingent benefits .....	0	0	0	0	0	0	0	0	0
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income) .....	516,007	0	0	0	0	0	516,007	0	0
5. Aggregate write-ins for other policy reserves .....	0	0	0	0	0	0	0	0	0
6. TOTALS (Gross) .....	516,007	0	0	0	0	0	516,007	0	0
7. Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
8. TOTALS (Net) (Page 3, Line 4) .....	516,007	0	0	0	0	0	516,007	0	0
9. Present value of amounts not yet due on claims .....	0	0	0	0	0	0	0	0	0
10. Reserve for future contingent benefits .....	0	0	0	0	0	0	0	0	0
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0
12. TOTALS (Gross) .....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
14. TOTALS (Net) (Page 3, Line 7) .....	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. ....	0	0	0	0	0	0	0	0	0
0502. ....	0	0	0	0	0	0	0	0	0
0503. ....	0	0	0	0	0	0	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page ....	0	0	0	0	0	0	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) ....	0	0	0	0	0	0	0	0	0
1101. ....	0	0	0	0	0	0	0	0	0
1102. ....	0	0	0	0	0	0	0	0	0
1103. ....	0	0	0	0	0	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page ..	0	0	0	0	0	0	0	0	0
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..	0	0	0	0	0	0	0	0	0

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....1,196,447 for occupancy of own building) .....	0	0	1,196,447	0	1,196,447
2.	Salaries, wages and other benefits .....	2,902,883	1,930,429	39,204,928	0	44,038,240
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed) .....	0	0	3,415,183	0	3,415,183
4.	Legal fees and expenses .....	0	0	260,479	0	260,479
5.	Certifications and accreditation fees .....	0	0	0	0	0
6.	Auditing, actuarial and other consulting services .....	0	0	873,140	0	873,140
7.	Traveling expenses .....	45,782	9,638	688,390	0	743,810
8.	Marketing and advertising .....	27,636	40	4,631,827	0	4,659,503
9.	Postage, express and telephone .....	149,734	179,301	1,028,264	0	1,357,299
10.	Printing and office supplies .....	109,287	24,798	1,300,287	0	1,434,372
11.	Occupancy, depreciation and amortization .....	168,048	85,261	1,560,502	0	1,813,811
12.	Equipment .....	781	201	244,757	0	245,739
13.	Cost or depreciation of EDP equipment and software .....	302,795	650,872	6,614,149	0	7,567,816
14.	Outsourced services including EDP, claims, and other services .....	589,983	287,923	3,398,255	0	4,276,161
15.	Boards, bureaus and association fees .....	3,720	5,307	552,471	0	561,498
16.	Insurance, except on real estate .....	0	0	442,347	0	442,347
17.	Collection and bank service charges .....	0	0	114,803	70,823	185,626
18.	Group service and administration fees .....	0	0	0	0	0
19.	Reimbursements by uninsured plans .....	0	0	0	0	0
20.	Reimbursements from fiscal intermediaries .....	0	0	0	0	0
21.	Real estate expenses .....	0	0	0	0	0
22.	Real estate taxes .....	0	0	118,538	0	118,538
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes .....	0	0	2,288,403	0	2,288,403
23.2	State premium taxes .....	0	0	0	0	0
23.3	Regulatory authority licenses and fees .....	0	0	0	0	0
23.4	Payroll taxes .....	214,627	145,361	2,243,566	0	2,603,554
23.5	Other (excluding federal income and real estate taxes) .....	0	0	1,796	0	1,796
24.	Investment expenses not included elsewhere .....	0	0	0	0	0
25.	Aggregate write-ins for expenses .....	71,559	24,526	(27,705,599)	0	(27,609,514)
26.	TOTAL Expenses Incurred (Lines 1 to 25) .....	4,586,835	3,343,657	42,472,933	70,823	(a) 50,474,248
27.	Less expenses unpaid December 31, current year .....	247,423	360,727	7,131,353	0	7,739,503
28.	Add expenses unpaid December 31, prior year .....	198,787	355,609	7,105,382	0	7,659,778
29.	Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0	0
30.	Amounts receivable relating to uninsured plans, current year .....	0	0	0	0	0
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	4,538,199	3,338,539	42,446,962	70,823	50,394,523
DETAILS OF WRITE-INS						
2501.	Conferences, Seminars, and Training .....	7,279	2,288	101,534	0	111,101
2502.	Charitable Contributions .....	0	0	478,161	0	478,161
2503.	Affiliates Administrative Fees .....	0	0	(28,539,274)	0	(28,539,274)
2598.	Summary of remaining write-ins for Line 25 from overflow page .....	64,280	22,238	253,980	0	340,498
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	71,559	24,526	(27,705,599)	0	(27,609,514)

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a)..... 35,166	..... 23,133
1.1	Bonds exempt from U.S. tax .....	(a)..... 0	..... 0
1.2	Other bonds (unaffiliated) .....	(a)..... 176,911	..... 96,866
1.3	Bonds of affiliates .....	(a)..... 0	..... 0
2.1	Preferred stocks (unaffiliated) .....	(b)..... 0	..... 0
2.11	Preferred stocks of affiliates .....	(b)..... 0	..... 0
2.2	Common stocks (unaffiliated) .....	..... 497,916	..... 504,858
2.21	Common stocks of affiliates .....	..... 0	..... 0
3.	Mortgage loans .....	(c)..... 0	..... 0
4.	Real estate .....	(d)..... 862,560	..... 862,560
5.	Contract loans .....	..... 0	..... 0
6.	Cash, cash equivalents and short-term investments .....	(e)..... (234,803)	..... 159,814
7.	Derivative instruments .....	(f)..... 0	..... 0
8.	Other invested assets .....	..... 0	..... 0
9.	Aggregate write-ins for investment income .....	..... 0	..... 0
10.	Total gross investment income .....	..... 1,337,750	..... 1,647,231
11.	Investment expenses .....		(g)..... 70,823
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g)..... 0
13.	Interest expense .....		(h)..... 0
14.	Depreciation on real estate and other invested assets .....		(i)..... 0
15.	Aggregate write-ins for deductions from investment income .....		..... 0
16.	Total deductions (Lines 11 through 15) .....		..... 70,823
17.	Net Investment income (Line 10 minus Line 16) .....		..... 1,576,408
DETAILS OF WRITE-INS			
0901.	.....	..... 0	..... 0
0902.	.....	..... 0	..... 0
0903.	.....	..... 0	..... 0
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	..... 0	..... 0
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	..... 0	..... 0
1501.	.....		..... 0
1502.	.....		..... 0
1503.	.....		..... 0
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		..... 0
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....		..... 0
(a) Includes \$.....1,026 accrual of discount less \$.....80,284 amortization of premium and less \$.....1,750 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	..... 144,848	..... 0	..... 144,848	..... 0	..... 0
1.1	Bonds exempt from U.S. tax .....	..... 0	..... 0	..... 0	..... 0	..... 0
1.2	Other bonds (unaffiliated) .....	..... 101,387	..... 0	..... 101,387	..... 0	..... 0
1.3	Bonds of affiliates .....	..... 0	..... 0	..... 0	..... 0	..... 0
2.1	Preferred stocks (unaffiliated) .....	..... 0	..... 0	..... 0	..... 0	..... 0
2.11	Preferred stocks of affiliates .....	..... 0	..... 0	..... 0	..... 0	..... 0
2.2	Common stocks (unaffiliated) .....	..... 266,159	..... 0	..... 266,159	..... 742,117	..... 0
2.21	Common stocks of affiliates .....	..... 0	..... 0	..... 0	..... (10,467,459)	..... 0
3.	Mortgage loans .....	..... 0	..... 0	..... 0	..... 0	..... 0
4.	Real estate .....	..... 0	..... 0	..... 0	..... 0	..... 0
5.	Contract loans .....	..... 0	..... 0	..... 0	..... 0	..... 0
6.	Cash, cash equivalents and short-term investments .....	..... 0	..... 0	..... 0	..... 0	..... 0
7.	Derivative instruments .....	..... 0	..... 0	..... 0	..... 0	..... 0
8.	Other invested assets .....	..... 0	..... 0	..... 0	..... 0	..... 0
9.	Aggregate write-ins for capital gains (losses) .....	..... 0	..... 0	..... 0	..... 0	..... 0
10.	Total capital gains (losses) .....	..... 512,394	..... 0	..... 512,394	..... (9,725,342)	..... 0
DETAILS OF WRITE-INS						
0901.	.....	..... 0	..... 0	..... 0	..... 0	..... 0
0902.	.....	..... 0	..... 0	..... 0	..... 0	..... 0
0903.	.....	..... 0	..... 0	..... 0	..... 0	..... 0
0998.	Summary of remaining write-ins for Line 9 from overflow page ..	..... 0	..... 0	..... 0	..... 0	..... 0
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) ..	..... 0	..... 0	..... 0	..... 0	..... 0

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D) .....	0	0	0
2.	Stocks (Schedule D):			
2.1	Preferred stocks .....	0	0	0
2.2	Common stocks .....	0	0	0
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens .....	0	0	0
3.2	Other than first liens .....	0	0	0
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company .....	0	0	0
4.2	Properties held for the production of income .....	0	0	0
4.3	Properties held for sale .....	0	0	0
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....	0	0	0
6.	Contract loans .....	0	0	0
7.	Derivatives (Schedule DB) .....	0	0	0
8.	Other invested assets (Schedule BA) .....	0	0	0
9.	Receivables for securities .....	0	0	0
10.	Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0
11.	Aggregate write-ins for invested assets .....	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13.	Title plants (for Title insurers only) .....	0	0	0
14.	Invested income due and accrued .....	0	0	0
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection .....	0	0	0
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	0	0	0
15.3	Accrued retrospective premiums .....	0	0	0
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers .....	0	0	0
16.2	Funds held by or deposited with reinsured companies .....	0	0	0
16.3	Other amounts receivable under reinsurance contracts .....	0	0	0
17.	Amounts receivable relating to uninsured plans .....	0	0	0
18.1	Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2	Net deferred tax asset .....	0	0	0
19.	Guaranty funds receivable or on deposit .....	0	0	0
20.	Electronic data processing equipment and software .....	3,895,394	2,842,801	(1,052,593)
21.	Furniture and equipment, including health care delivery assets .....	431,944	375,119	(56,825)
22.	Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23.	Receivables from parent, subsidiaries and affiliates .....	0	0	0
24.	Health care and other amounts receivable .....	0	0	0
25.	Aggregate write-ins for other than invested assets .....	1,309,484	1,067,507	(241,977)
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	5,636,822	4,285,427	(1,351,395)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
28.	Total (Lines 26 and 27) .....	5,636,822	4,285,427	(1,351,395)
DETAILS OF WRITE-INS				
1101.	.....	0	0	0
1102.	.....	0	0	0
1103.	.....	0	0	0
1198.	Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0
2501.	Prepaid Expenses .....	1,309,484	1,067,507	(241,977)
2502.	.....	0	0	0
2503.	.....	0	0	0
2598.	Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	1,309,484	1,067,507	(241,977)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations .....	71,671	73,136	73,422	72,258	69,812	867,721
2.	Provider Service Organizations .....	0	0	0	0	0	0
3.	Preferred Provider Organizations .....	0	0	0	0	0	0
4.	Point of Service .....	1,511	1,510	1,443	1,373	4,477	26,555
5.	Indemnity Only .....	0	0	0	0	0	0
6.	Aggregate write-ins for other lines of business .....	0	0	0	0	0	0
7.	TOTAL .....	73,182	74,646	74,865	73,631	74,289	894,276
DETAILS OF WRITE-INS							
0601.	.....	0	0	0	0	0	0
0602.	.....	0	0	0	0	0	0
0603.	.....	0	0	0	0	0	0
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	0	0	0	0	0	0

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The accompanying financial statements of HealthPlus of Michigan, Inc. (the Company) have been prepared in conformity with the 2012 NAIC Annual Statement Instructions and the NAIC Accounting Practices and Procedures Manual as of March 2012, to the extent that the accounting practices, procedures, and reporting standards are not modified by the Michigan Insurance Code or the 2012 Forms and Instructions for Required Filings in Michigan. The Company has no prescribed or permitted practices that affect net income, statutory surplus or risk-based capital to report.

#### B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### C. Accounting Policy

Premium revenue is recognized in the month that members are entitled to health care services. The liability for incurred medical and hospital claims is accrued in the period during which the services are provided and includes estimates of services performed, which have not been reported to the Company.

The Company reports the value of its home office building at depreciated cost on Schedule A - Part 1.

In addition, the company uses the following accounting policies:

- 1) Short Term Investments are stated at amortized cost.
- 2) Bonds not backed by other loans are stated at amortized cost.
- 3) Common Stocks are reported at market value.
- 4) The Company has no Preferred Stocks to report.
- 5) The Company has no mortgage loans to report.
- 6) Loan Backed Securities are stated at amortized cost.
- 7) The Company carries its investment in HealthPlus Partners, Inc. and HealthPlus Insurance Company at Statutory Equity, and its investment in HealthPlus Options at audited GAAP equity.
- 8) The Company has no ownership interests in joint ventures, partnerships, or limited liability companies.
- 9) The Company has no derivatives to report.
- 10) The Company uses anticipated investment income in the calculation of premium deficiency reserves.
- 11) Unpaid claims include amounts determined from individual case estimates and amounts based on past experiences, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- 12) The Company has not modified its capitalization policy from the prior period.
- 13) Estimated pharmaceutical rebate receivables are based primarily on historical trends.

### 2. Accounting Changes and Corrections of Errors

- A. The Company reported an adjustment to surplus of \$732,407 related to its retiree health insurance program. This amount represents the difference between the Other Post-Employment Benefit obligation under Generally Accepted Accounting Principles (GAAP) and the obligation calculated under Statutory Accounting Principles (STAT).

## Notes to Financial Statements

### 3. Business Combinations and Goodwill

- A. Statutory Purchase Method – None
- B. Statutory Merger – None
- C. Assumption Reinsurance – None
- D. Impairment Loss – None

### 4. Discontinued Operations

None.

### 5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – None
- B. Debt Restructuring – None
- C. Reverse Mortgages – None
- D. Loan-Backed Securities – None
- E. Repurchase Agreements and/or Securities Lending Transactions – None
- F. Real Estate – None
- G. Investments in Low-Income Housing Tax Credits (LIHTC) - None

### 6. Joint Ventures, Partnerships and Limited Liability Companies

None.

### 7. Investment Income

- A. The Company has not excluded from surplus any investment income due and accrued.
- B. Total amount excluded was \$0

### 8. Derivative Instruments

None.

### 9. Income Taxes

- A. Components of Deferred Tax Assets and Deferred Tax Liabilities – None
- B. Unrecognized Deferred Tax Liabilities – None
- C. Components of income tax incurred – The Company is exempt from Federal income tax under Internal Revenue Code Section 501(c)(4).
- D. Book to tax adjustments – None
- E. Loss carry forwards and credit carry forwards – None
- F. Consolidated tax return - None

### 10. Information Concerning Parent, Subsidiaries and Affiliates

A., B. & C.

HealthPlus of Michigan, Inc. has three wholly owned subsidiaries.

HealthPlus Options, Inc. (HPO) began operations in 1990 as a third party administrator. The Company reports its investment in HPO at audited GAAP equity, which amounted to \$2,144,824 at December 31, 2012 and \$1,454,363 at December 31, 2011 and is reported as a subsidiary stock investment on Schedule D-Part 6, Section 1. The Company has entered into agreements with HPO for the provision of administrative services. These services amounted to \$4,721,259 at December 31, 2012 and \$4,578,245 at December 31, 2011.

HealthPlusPartners, Inc. (HPP) is a state licensed Health Maintenance Organization serving Medicaid members in the greater Flint and Saginaw regions and began operations on January 1, 2003. The Company reports its investment in HPP at statutory



## Notes to Financial Statements

equity, which amounted to \$27,711,511 at December 31, 2012 and \$26,875,978 at December 31, 2011, and is reported as a subsidiary stock investment on Schedule D-Part 6, Section 1. The Company has entered into agreements with HPP for the provision of administrative services. These services amounted to \$15,850,875 at December 31, 2012 and \$18,860,470 at December 31, 2011.

HealthPlus Insurance Company (HPI) is a state licensed Insurance Company and began operations January 1, 2007 offering a PPO product. The Company reports its investment in HPI at statutory equity, which amounted to \$14,171,899 at December 31, 2012 and \$15,165,352 at December 31, 2011, and is reported as a subsidiary stock investment on Schedule D-Part 6, Section 1. The Company has entered into agreements with HPI for the provision of administrative services. These services amounted to \$7,967,140 at December 31, 2012 and \$2,519,736 at December 31, 2011. The Company made additional capital contributions to HPI of \$5,000,000 on June 22, 2012, \$4,000,000 on December 10, 2012, and \$2,000,000 on December 19, 2012.

- D. The Company reported receivables from subsidiaries of \$709,540 and \$719,138 and payables to subsidiaries of \$2,563,699 and \$1,216,710 as of December 31, 2012 and December 31, 2011 respectively. These amounts are settled monthly.
- E. Affiliate guarantees – None
- F. The Company has entered into agreements with its subsidiaries for the provision of administrative services. Administrative expenses are allocated based primarily on adjusted premium revenue.
- G. The nature of the control relationship does not result in the operating results or financial position being significantly different than those that would have been obtained if the enterprises were autonomous.
- H. Ownership in an upstream Parent or Affiliate - None
- I. The Company's investment in its wholly-owned subsidiary HealthPlus Partners, Inc. exceeds 10% of the Company's admitted assets. HPP is reported at statutory equity, which amounted to \$27,711,511 as of December 31, 2012. HPP's admitted assets and liabilities at December 31, 2012 were \$52,055,227 and \$24,343,716 respectively. HPP reported net income/(loss) of \$447,699 as of the Year Ended December 31, 2012.
- J. Investments in Impaired Subsidiaries – None
- K. Investments in Foreign Insurance Subsidiary – None
- L. Investment in Downstream Non-insurance Holding Company – None

### 11. Debt

- A. Debt, including Capital Notes and Holding Company Obligations – None
- B. Federal Home Loan Bank (FHLB) agreements - None

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. Defined Benefit Plan
- B. Defined Contribution Plan

A contributory defined contribution plan is provided to substantially all employees of the Company. Participating employees are eligible to contribute up to 15% of their annual compensation to the plan. The Company contributes 7% of participating employees' annual compensation into the benefit plan. Company contributions were approximately \$1,938,000 as of December 31, 2012 and \$1,815,000 in 2011.

- C. Multiemployer Plans – None
- D. Consolidated/Holding Company Plans – None
- E. Postemployment Benefits and Compensated Absences

The Company has a retiree health insurance program. To be eligible, the participant must have retired from active employment, attained the age of 62 and have 15 years of full-time service. The Company currently funds the cost of these benefits as they are incurred.

The following table sets forth the plan’s funded status and amounts recognized in the balance sheet for postretirement medical benefits:

	December 31, 2012	December 31, 2011
	(In Thousands)	(In Thousands)
Benefit obligation at beginning of year	\$ 56	\$ 107
Interest cost	2	5
Service cost	0	0
Benefit payments	(40)	(34)
Unrecognized actuarial (gains) losses	74	(22)
Benefit obligation at end of year	92	56
Unrecognized net actuarial gain	33	112
Accrued postretirement benefit cost	\$ 125	\$ 168

The following is a summary of net periodic postretirement expense:

	Year Ended December 31, 2012	Year Ended December 31, 2011
	(In Thousands)	(In Thousands)
Interest cost	\$ 2	\$ 5
Service cost	0	0
Amortization of net actuarial gain	(5)	(5)
Net periodic postretirement cost (income)	\$ (3)	\$ 0

The weighted-average annual assumed rate of increase in the per capita cost of covered health care benefits (i.e., health care cost trend rate) is 7.4% for 2012 and is assumed to decrease annually to 4.5% in 2029 and remain at that level thereafter. The weighted-average discount rate used in determining the accumulated postretirement obligation was 3.50% and 4.55% at December 31, 2012 and 2011 respectively. The weighted-average discount rate used in determining the net periodic postretirement benefit cost was 4.55% and 5.35% for the years ended December 31, 2012 and 2011 respectively. The Company uses a measurement date of December 31 to measure the obligations.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would not have a material effect on the total service and interest cost components or on the postretirement benefit obligation.

Expected cash flows for the postretirement benefits are as follows (in thousands):

Expected benefit payments for the year ended December 31:	
2013	\$ 43
2014	25
2015	47

Notes to Financial Statements

2016	50
2017	80
2018 – 2022	691

HPM employees accrue Paid Time Off (PTO) bi-weekly based on years of service. These amounts are accrued as they are earned. The PTO liability was \$1,822,405 and \$1,721,845 as of December 31, 2012 and December 31, 2011 respectively.

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

On December 8, 2003, the Prescription Drug, Improvement, and Modernization Act of 2003 (the Act) was signed into law. The Act introduces a prescription drug benefit under Medicare as well as a federal subsidy to certain sponsors of postretirement health care benefit plans that provide a prescription drug benefit to their enrollees. The Company believes its postretirement benefit plan may qualify for subsidy under the Act.

In accordance with Financial Accounting Standards Board (FASB) Staff Position 106-1, *Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003*, the accumulated postretirement benefit obligation and net periodic postretirement benefit cost do not include the effect of the Act as the Company has elected to defer the accounting for the impact of the Act until pending authoritative guidance is issued. Once issued, such authoritative literature may require the Company to modify previously reported information.

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

- 1) Capital Stock – None
- 2) Preferred Stock – None
- 3) Dividend Restrictions – Distributions of earnings is prohibited by the Company’s bylaws.
- 4) Dividends Paid – None
- 5) Portion of profits that may be paid as dividends – Distribution of earnings is prohibited by the Company’s bylaws.
- 6) Restrictions on Unassigned Funds (Surplus) – None
- 7) Advances to Surplus – Not Applicable
- 8) Stock held for special purposes – None
- 9) Changes in special surplus funds – None
- 10)The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is (\$16,887,916).
- 11)Surplus debentures or similar obligations – None
- 12)Impact of prior quasi-reorganizations – None
- 13)Effective dates of quasi-reorganizations in the prior ten years - None

14. Contingencies

- A. Contingent Commitments – None
- B. Assessments – None
- C. Gain Contingencies – None
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits – None
- E. All Other Contingencies - In the normal course of business, HealthPlus of Michigan, Inc. is a party to certain legal matters. Management is of the opinion that resolution of these matters will not have a material effect on the Company’s financial position or results of operations. The Company has no assets that it considers to be impaired.

15. Leases

- A. Lessee Operating Leases
  - 1) The Company leases office equipment and space under various operating lease agreements. Total rental expense for all operating leases was approximately \$485,000 and \$457,000 in 2012 and 2011 respectively.

Notes to Financial Statements

2) Minimum aggregate rental commitments

Year Ended December 31	Operating Leases (in thousands)
2013	\$409
2014	<u>95</u>
	\$ <u>420</u>

3) Sales-leaseback transactions – None

B. Lessor Leases and Leveraged Leases - None

16. Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk.

None.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales – None
- B. Transfer and Servicing of Financial Assets – None
- C. Wash Sales - None

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

- A. ASO Plans – None
- B. ASC Plans – None
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

- a. Revenue from the Company’s Medicare Part D cost based reimbursement portion of its contract with the Centers for Medicare and Medicaid Services (CMS) consisted of \$830,559 and \$350,859 for the reinsurance subsidy and \$514,938 and \$308,008 for the low-income cost sharing subsidy at December 31, 2012 and December 31, 2011 respectively.
- b. The Company has recorded receivables from CMS related to this program of \$400,094 and \$433,035 as of December 31, 2012 and December 31, 2011 respectively.
- c. Recorded allowances and reserves for adjustment of recorded revenue – None
- d. Adjustments to revenue resulting from audit of receivable related to revenues recorded in the prior period - None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None.

20. Fair Value Measurements

A.

1) Fair Value Measurements at Reporting Date

Description	Level 1	Level 2	Level 3	Total
a. Assets at fair value				
Common Stocks	\$28,963,353	\$0	\$0	\$28,963,353

Notes to Financial Statements

b. Liabilities at fair value	\$0	\$0	\$0	\$0
------------------------------	-----	-----	-----	-----

2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – None

B. Other Fair Value Measurements – None

C. Aggregate Fair Value and Admitted Value for all Invested Assets

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Common Stock	\$28,963,353	\$28,963,353	\$28,963,353	\$0	\$0	\$0

D. Not Practicable to Estimate Fair Value – None

21. Other Items

A. Extraordinary Items – None

B. Troubled Debt Restructuring: Debtors – None

C. Other Disclosures

Statutory Reserve: As a condition of licensure with the State of Michigan, The Company maintains a deposit in the amount of \$1,000,000 in a segregated account and can only be used by the Company at the discretion of the Insurance Commissioner. These funds are invested in an exempt money market mutual fund and reported in short-term investments. Interest on these funds accrues to the Company.

D. The Company had admitted premiums receivable of \$6,370,438 and \$3,325,995 at December 31, 2012 and December 31, 2011 respectively. The Company routinely assesses the collectability of these receivables and amounts over 90 days past due are non-admitted.

E. Business Interruption Insurance Recoveries – None

F. State Transferable Tax Credits – None

G. Subprime-Mortgage-Related Risk Expense – None

H. Retained Assets – Not applicable

22. Events Subsequent

Type I – None.  
Type II – None.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the Company?  
Yes ( )      No (x)

(2) Have any policies issued by the company been reinsured with a company

Notes to Financial Statements

chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( )                      No (x)

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes (x)                      No ( )

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.

\$ 0.

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?

\$ 0.

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( )                      No (x)

Section 3 – Ceded Reinsurance – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.

\$ 0.

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes ( )                      No (x)

(3) Uncollectible Reinsurance

None.

C.      Commutation of Ceded Reinsurance

None.

Notes to Financial Statements

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. HealthPlus provides health coverage to approximately 4,000 members under the Federal Employees Health Benefits Program (FEHBP) and is subject to rate redetermination. Under the terms of the contract with the Office of Personnel Management (OPM) HealthPlus is to provide health coverage at the lowest rate charged to Similar Sized Subscriber Groups.

The Company provides Medicare Advantage health coverage to approximately 17,000 members. Retrospective premiums are estimated based on members risk score adjustments submitted to CMS.

- B. The Company records accrued retrospective premiums as an adjustment to earned premiums.
- C. The amount of net premiums written by the Company at December 31, 2012 that are subject to retrospective rating features was \$19,887,337 or 3.9% of total net premiums for the FEHBP program and \$216,993,235 or 42.9% of total net premiums for the Medicare Advantage program. The amount of net premiums written by the Company that are subject to medical loss ratio rebate requirements pursuant to the Public Health Service Act are \$286,702,106 or 56.7% of total net premiums.
- D. Medical loss rebates required pursuant to the Public Health Service Act - None

25. Change in Incurred Claims and Claim Adjustment Expenses

The following table provides a reconciliation of the beginning and ending claims payable, net of reinsurance recoverables:

	Year Ended December 31	
	2012	2011
	(In Thousands)	
Reserve for claims payable, at beginning of year	\$ 49,197	\$ 41,901
Add provision for claims, occurring in:		
Current year	441,336	417,891
Prior years	<u>(3,808)</u>	<u>(19)</u>
Net incurred claim expense during the current year	437,528	417,872
Deduct payments for claims occurring in:		
Current year	394,098	370,382
Prior years	<u>43,026</u>	<u>40,194</u>
Net claim payments during the current year	<u>437,124</u>	<u>410,576</u>
Reserve for claims payable, at end of year	<u>49,601</u>	<u>49,197</u>

The favorable development of the 2012 reserves is primarily due to 2011 Inpatient, pharmacy and specialists incurred claim costs developing with less severity and frequency than anticipated. The net effect, after risk sharing, on expenses was (\$2,748,000) for 2012.

The favorable development of the 2011 reserves is primarily due to 2010 pharmacy incurred claim costs developing with less severity and frequency than anticipated. The net effect, after risk sharing, on expenses was \$503,000 for 2011.

26. Intercompany Pooling Arrangements

None.

27. Structured Settlements

Not applicable.

Notes to Financial Statements

28 Health Care Receivables

A. Pharmaceutical Rebate Receivables

Pharmaceutical rebate receivables consist of actual amounts billed for the previous quarter, based on actual prescriptions filled, and estimates of rebates for the current quarter. Estimated rebates are based primarily on historical trends.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/ Confirmed	Actual rebates Collected Within 90 Days of Invoicing/ Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Actual Rebates Collected More Than 180 Days After Invoicing/ Confirmation
12/31/2012	1,354,000	0	0	0	0
09/30/2012	1,261,000	1,368,898	25,336	0	0
06/30/2012	1,151,000	1,318,060	1,106,380	209,733	0
03/31/2012	1,009,000	1,185,661	921,650	0	0
12/31/2011	0	1,137,554	969,103	163,685	0
09/30/2011	0	1,004,790	734,235	270,555	0
06/30/2011	0	968,507	804,240	164,267	0
03/31/2011	0	959,330	844,157	115,173	0
12/31/2010	0	949,573	819,065	130,508	0
09/30/2010	0	962,085	770,065	192,020	0
06/30/2010	0	1,031,590	905,565	126,025	0
03/31/2010	0	928,594	710,207	218,387	0

B. Risk Sharing Receivables

The Company has agreements, which provide the basis of payments to different provider groups for the delivery of health care services. The groups include hospitals, physician hospital organizations, and physicians. The agreements include provisions for the sharing of surplus or deficits calculated by the comparison of total expense to funding reported for the Company’s members served by the physicians affiliated with each contracting provider group. The funding levels are primarily based on a percentage of the premium, which the Company receives for providing health insurance coverage to employer groups. Certain of these providers have entered into separate agreements with affiliated hospitals to share any surplus or deficit associated with services to physician members.

The following table details risk sharing receivables recorded in accordance with the provisions of the aforementioned agreements.

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated And Reported in the Prior Year	Risk Sharing Receivable as Estimated And Reported in the Current Year	Risk Sharing Receivable Invoiced	Risk Sharing Receivable Not Invoiced	Actual Risk Sharing Amounts Collected in Year Invoiced	Actual Risk Sharing Amounts Collected First Year Subsequent	Actual Risk Sharing Amounts Collected Second Year Subsequent	Actual Risk Sharing Amounts Collected – All Other
2012	2012	0	2,574,130	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0	0
2011	2011	0	1,073,664	1,073,664	0	1,073,664	0	0	0
	2012	0	0	0	0	0	0	0	0
2010	2010	0	2,292,879	2,292,879	0	2,292,879	0	0	0
	2011	0	0	0	0	0	0	0	0
2009	2009	0	1,290,797	1,290,797	0	1,290,797	0	0	0
	2010	0	0	0	0	0	0	0	0
2008	2008	0	1,249,892	1,249,892	0	1,249,892	0	0	0
	2009	0	0	0	0	0	0	0	0

29. Participating Policies

None.



Notes to Financial Statements

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$0
2. Date of the most recent evaluation of this liability	12/31/2012
3. Was anticipated investment income utilized in the calculation?	Yes

31. Anticipated Salvage and Subrogation

The Company has not specifically identified any anticipated salvage and subrogation amounts in its calculation of loss reserves.

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[ ] N/A[ ]  
Michigan
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[X] No[ ]
- 2.2 If yes, date of change:

11/29/2012
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2012
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2009
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/29/2011
- 3.4 By what department or departments?

Department of Licensing and Regulatory Affairs, Office of Financial & Insurance Regulation, Office of Financial Evaluation
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[ ] No[ ] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[ ] N/A[ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[ ] No[X]
- 4.12 renewals?

Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[ ] No[X]
- 4.22 renewals?

Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[ ] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		.. Yes[ ] No[X] ..	.. Yes[ ] No[X] ..	.. Yes[ ] No[X] ..	.. Yes[ ] No[X] ..

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ernst & Young, LLP Suite 1700, 500 Woodward, Detroit, MI, 48226
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[ ] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes[ ] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[ ] N/A[ ]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Michael J. Cellini, ASA, MAAA, Ernst & Young, LLP, 5 Times Square, New York, NY, 10036
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[ ] No[X]

GENERAL INTERROGATORIES (Continued)

- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value
- \$00
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?
- Yes[ ] No[ ] N/A[X]
- 13.3 Have there been any changes made to any of the trust indentures during the year?
- Yes[ ] No[ ] N/A[X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?
- Yes[ ] No[ ] N/A[X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
- Yes[X] No[ ]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended?
- Yes[ ] No[X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers?
- Yes[ ] No[X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
- Yes[ ] No[X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2  Issuing or Confirming Bank Name	3  Circumstances That Can Trigger the Letter of Credit	4  Amount
15.2001	.....	.....	.....	.....0

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?
- Yes[X] No[ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?
- Yes[X] No[ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes[X] No[ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes[ ] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers
- \$0
- 20.12 To stockholders not officers
- \$0
- 20.13 Trustees, supreme or grand (Fraternal only)
- \$0
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers
- \$0
- 20.22 To stockholders not officers
- \$0
- 20.23 Trustees, supreme or grand (Fraternal only)
- \$0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- Yes[ ] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others
- \$0
- 21.22 Borrowed from others
- \$0
- 21.23 Leased from others
- \$0
- 21.24 Other
- \$0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?
- Yes[ ] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment
- \$0
- 22.22 Amount paid as expenses
- \$0
- 22.23 Other amounts paid
- \$0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- Yes[X] No[ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- Yes[X] No[ ]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- Yes[ ] No[ ] N/A[X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- \$0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- \$0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- Yes[ ] No[ ] N/A[X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes[ ] No[ ] N/A[X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?
- Yes[ ] No[ ] N/A[X]

GENERAL INTERROGATORIES (Continued)

- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ ..... 0

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ ..... 0

24.103 Total payable for securities lending reported on the liability page.

\$ ..... 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes[X] No[ ]
- 25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements

\$ ..... 0

25.22 Subject to reverse repurchase agreements

\$ ..... 0

25.23 Subject to dollar repurchase agreements

\$ ..... 0

25.24 Subject to reverse dollar repurchase agreements

\$ ..... 0

25.25 Pledged as collateral

\$ ..... 0

25.26 Placed under option agreements

\$ ..... 0

25.27 Letter stock or securities restricted as to sale

\$ ..... 0

25.28 On deposit with state or other regulatory body

\$ ..... 1,000,246

25.29 Other

\$ ..... 0
- 25.3 For category (25.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount
		0

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[ ] No[X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[ ] No[ ] N/A[X]

If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[ ] No[X]

27.2 If yes, state the amount thereof at December 31 of the current year.

\$ ..... 0
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[ ]

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
JP Morgan Asset Management .....	611 Woodward Avenue, Detroit, MI, 48226 .....
Citizens Bank Wealth Management .....	328 S. Saginaw Street, Flint, MI 48502 .....

- 28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes[ ] No[X]

28.04 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

- 28.05 Identify all investment advisers, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository Number(s)	Name	Address
111223 .....	Citizens Bank Wealth Management .....	328 S. Saginaw St., Flint, MI 48502 .....
104234 .....	JP Morgan Asset Management .....	611 Woodward Ave., Detroit, MI, 48226 .....

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[X] No[ ]

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
..... 4812C1553 .....	JPMorgan Equity Index Fund .....	..... 2,150,991
..... 922040100 .....	Vanguard Instl Index Fd .....	..... 5,711,061
..... 4812C0381 .....	JPMorgan Core Bond Fund .....	..... 3,227,493
..... 921921300 .....	Vanguard Equity Income Fund .....	..... 10,013,666
..... 921937868 .....	Vanguard Total Bond Market Index .....	..... 7,831,171
29.2999 Total .....		..... 28,934,382

- 29.3 For each mutual fund listed in the table above, complete the following schedule:

GENERAL INTERROGATORIES (Continued)

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
JPMorgan Equity Index Fund	Apple, Inc	83,889	12/31/2012
JPMorgan Equity Index Fund	Exxon Mobile Corp.	66,681	12/31/2012
JPMorgan Equity Index Fund	General Electric Company	36,567	12/31/2012
JPMorgan Equity Index Fund	Chevron Corp.	36,567	12/31/2012
JPMorgan Equity Index Fund	International Business Machines Corp.	34,416	12/31/2012
Vanguard Instl Index Fd	Apple, Inc	222,731	12/31/2012
Vanguard Instl Index Fd	Exxon Mobile Corp.	177,043	12/31/2012
Vanguard Instl Index Fd	General Electric Company	97,088	12/31/2012
Vanguard Instl Index Fd	Chevron Corp.	97,088	12/31/2012
Vanguard Instl Index Fd	International Business Machines Corp.	91,377	12/31/2012
JPMorgan Core Bond Fund	US Treasury Bonds Coupon Strips	45,185	12/31/2012
JPMorgan Core Bond Fund	US Treasury Notes	29,047	12/31/2012
JPMorgan Core Bond Fund	US Treasury Bonds	29,047	12/31/2012
JPMorgan Core Bond Fund	US Treasury Notes	25,820	12/31/2012
JPMorgan Core Bond Fund	US Treasury Notes	25,820	12/31/2012
Vanguard Equity Income Fund	Exxon Mobile Corp.	425,080	12/31/2012
Vanguard Equity Income Fund	Chevron Corp.	380,739	12/31/2012
Vanguard Equity Income Fund	Johnson & Johnson	339,667	12/31/2012
Vanguard Equity Income Fund	Merck & Co.	315,442	12/31/2012
Vanguard Equity Income Fund	Pfizer	296,056	12/31/2012
Vanguard Total Bond Market Index Fund	FNMA 4%	158,973	12/31/2012
Vanguard Total Bond Market Index Fund	FNMA 3.5%	148,009	12/31/2012
Vanguard Total Bond Market Index Fund	GNMA 4.5%	133,130	12/31/2012
Vanguard Total Bond Market Index Fund	FNMA 4.5%	127,648	12/31/2012
Vanguard Total Bond Market Index Fund	FNMA 5%	111,203	12/31/2012

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	83,445,774	83,423,630	(22,144)
30.2 Preferred stocks	0	0	0
30.3 Totals	83,445,774	83,423,630	(22,144)

30.4 Describe the sources or methods utilized in determining the fair values  
Fair values are determined by current market values provided by the Company's investment custodians.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[ ] No[X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[ ] No[ ] N/A[X]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[X] No[ ]

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$ 156,196

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1	2
Name	Amount Paid
Michigan Association of Health Plans	79,500
America's Health Insurance Plans	76,696

34.1 Amount of payments for legal expenses, if any?

\$ 104,671

34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
Honigman, Miller, Schwartz	29,240

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$ 0

35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
.....	..... 0

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[ ] No[X]

1.2 If yes, indicate premium earned on U.S. business only:

\$ ..... 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ ..... 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ ..... 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ ..... 0

1.6 Individual policies - Most current three years:

1.61 Total premium earned

\$ ..... 0

1.62 Total incurred claims

\$ ..... 0

1.63 Number of covered lives

..... 0

All years prior to most current three years:

1.64 Total premium earned

\$ ..... 0

1.65 Total incurred claims

\$ ..... 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 Total premium earned

\$ ..... 0

1.72 Total incurred claims

\$ ..... 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 Total premium earned

\$ ..... 0

1.75 Total incurred claims

\$ ..... 0

1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator .....	505,081,873	481,337,427
2.2	Premium Denominator .....	505,081,873	481,337,427
2.3	Premium Ratio (2.1 / 2.2) .....	1.000	1.000
2.4	Reserve Numerator .....	66,220,197	64,022,498
2.5	Reserve Denominator .....	66,220,197	64,022,498
2.6	Reserve Ratio (2.4 / 2.5) .....	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[ ] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[ ]

4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[ ] No[ ] N/A[X]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ ..... 800,000

5.32 Medical Only

\$ ..... 0

5.33 Medicare Supplement

\$ ..... 0

5.34 Dental & Vision

\$ ..... 0

5.35 Other Limited Benefit Plan

\$ ..... 0

5.36 Other

\$ ..... 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Provider contracts provide for continuation of services and hold-harmless language. An insolvency rider is also in place.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes[X] No[ ]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 6,779

8.2 Number of providers at end of reporting year

..... 7,071

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[ ] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[X] No[ ]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ ..... 14,825,068

10.22 Amount actually paid for year bonuses

\$ ..... 12,707,598

10.23 Maximum amount payable withholds

\$ ..... 2,543,825

10.24 Amount actually paid for year withholds

\$ ..... 1,246,020

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[ ] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[ ] No[X]

11.14 A Mixed Model (combination of above)?

Yes[X] No[ ]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[ ]

11.3 If yes, show the name of the state requiring such net worth.

Michigan

11.4 If yes, show the amount required.

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

\$ ..... 55,168,384

11.6 If the amount is calculated, show the calculation.

Yes[ ] No[X]

The greater of \$1,500,000, four percent of subscription revenue, three month's uncovered expenditures or RBC after covariance.

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
Arenac County, MI .....
Bay County, MI .....
Saginaw County, MI .....
Tuscola County, MI .....
Shiawassee County, MI .....
Genesee County, MI .....
Lapeer County, MI .....
Oakland County, MI .....

GENERAL INTERROGATORIES (Continued)

1 Name of Service Area
Livingston County, MI .....
Clare County, MI .....
Macomb County, MI .....
St. Clair County, MI .....
Wayne County, MI .....
Washtenaw County, MI .....
Iosco County, MI .....
Huron County, MI .....
Portions of Gratiot County, MI .....
Portions of Montcalm County, MI .....
Portions of Sanilac County, MI .....
Portions of Midland County, MI .....
Portions of Isabella County, MI .....
Portions of Gladwin County, MI .....

13.1 Do you act as a custodian for health savings accounts?

Yes[ ] No[X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$..... 0

13.3 Do you act as an administrator for health savings accounts?

Yes[ ] No[X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$..... 0



FIVE-YEAR HISTORICAL DATA

	1 2012	2 2011	3 2010	4 2009	5 2008
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	174,859,779	170,266,601	159,428,525	164,672,096	157,640,448
2. TOTAL Liabilities (Page 3, Line 24) .....	78,938,008	74,159,323	68,305,417	78,295,385	75,522,309
3. Statutory surplus .....	55,168,384	50,423,670	45,295,508	41,385,702	35,028,550
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	95,921,771	96,107,278	91,123,108	86,376,711	82,118,139
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	505,081,873	481,337,427	444,026,530	435,591,417	417,176,256
6. TOTAL Medical and Hospital Expenses (Line 18) .....	446,060,444	431,151,234	398,589,787	391,535,899	361,506,131
7. Claims adjustment expenses (Line 20) .....	7,930,492	6,763,802	6,391,413	10,253,523	13,120,126
8. TOTAL Administrative Expenses (Line 21) .....	42,472,933	38,687,151	36,856,579	31,400,852	30,298,613
9. Net underwriting gain (loss) (Line 24) .....	8,101,997	4,735,240	2,188,751	(298,857)	12,251,386
10. Net investment gain (loss) (Line 27) .....	2,088,802	3,962,647	916,268	944,498	3,435,684
11. TOTAL Other Income (Lines 28 plus 29) .....	3,802	5,747	4,971	6,592	6,346
12. Net income or (loss) (Line 32) .....	10,194,601	8,703,634	3,109,990	652,233	15,693,416
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	8,745,272	28,537,664	(14,699,619)	1,863,257	8,073,339
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	95,921,771	96,107,278	91,123,108	86,376,711	82,118,139
15. Authorized control level risk-based capital .....	27,584,192	25,211,835	22,647,754	20,692,851	17,514,275
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	74,289	73,182	73,890	77,168	86,233
17. TOTAL Members Months (Column 6, Line 7) .....	894,276	883,478	883,361	946,291	1,041,490
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) .....	88.3	89.6	89.8	89.9	86.7
20. Cost containment expenses .....	0.9	0.7	0.8	1.4	2.2
21. Other claims adjustment expenses .....	0.7	0.7	0.7	0.9	1.0
22. TOTAL Underwriting Deductions (Line 23) .....	98.4	99.0	99.5	100.1	97.1
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	1.6	1.0	0.5	(0.1)	2.9
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	58,021,502	55,400,521	62,136,735	62,146,597	64,848,926
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	61,076,558	53,594,297	62,353,094	62,387,153	66,345,968
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....	44,028,234	43,495,693	14,375,513	13,051,590	10,898,250
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....	0	0	0	0	0
31. All other affiliated .....	0	0	33,624,177	23,973,914	10,796,613
32. TOTAL of Above Lines 26 to 31 .....	44,028,234	43,495,693	47,999,690	37,025,504	21,694,863
33. TOTAL investment in parent included in Lines 26 to 31 above .....	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[ ] No[ ] N/A[X]

If no, please explain::

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

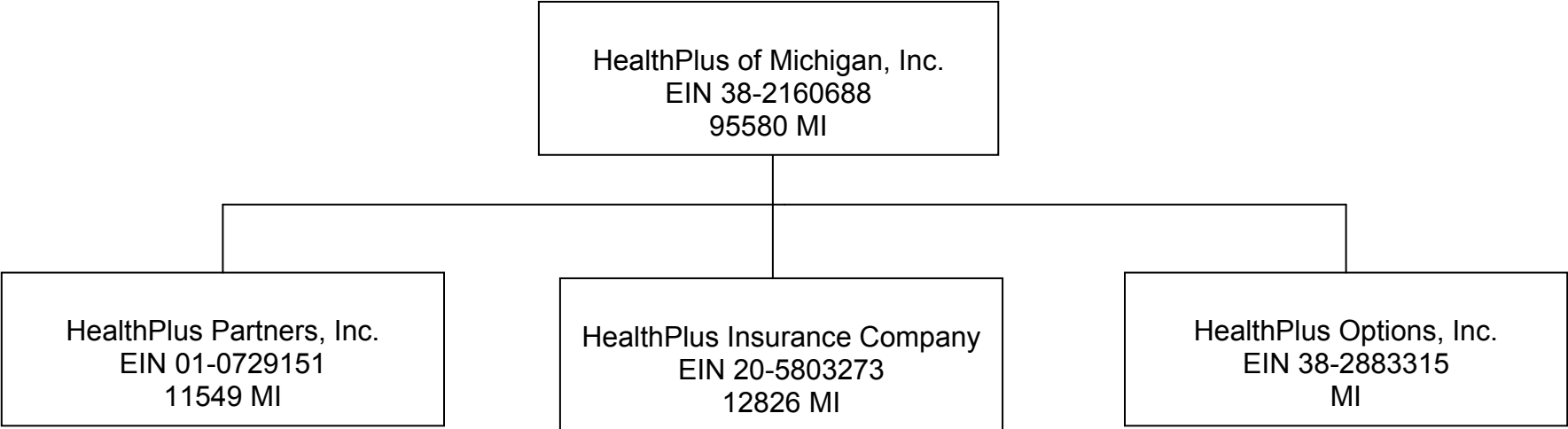
		1	Direct Business Only							
State, Etc.		Active Status	2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1.	Alabama (AL)	N	0	0	0	0	0	0	0	0
2.	Alaska (AK)	N	0	0	0	0	0	0	0	0
3.	Arizona (AZ)	N	0	0	0	0	0	0	0	0
4.	Arkansas (AR)	N	0	0	0	0	0	0	0	0
5.	California (CA)	N	0	0	0	0	0	0	0	0
6.	Colorado (CO)	N	0	0	0	0	0	0	0	0
7.	Connecticut (CT)	N	0	0	0	0	0	0	0	0
8.	Delaware (DE)	N	0	0	0	0	0	0	0	0
9.	District of Columbia (DC)	N	0	0	0	0	0	0	0	0
10.	Florida (FL)	N	0	0	0	0	0	0	0	0
11.	Georgia (GA)	N	0	0	0	0	0	0	0	0
12.	Hawaii (HI)	N	0	0	0	0	0	0	0	0
13.	Idaho (ID)	N	0	0	0	0	0	0	0	0
14.	Illinois (IL)	N	0	0	0	0	0	0	0	0
15.	Indiana (IN)	N	0	0	0	0	0	0	0	0
16.	Iowa (IA)	N	0	0	0	0	0	0	0	0
17.	Kansas (KS)	N	0	0	0	0	0	0	0	0
18.	Kentucky (KY)	N	0	0	0	0	0	0	0	0
19.	Louisiana (LA)	N	0	0	0	0	0	0	0	0
20.	Maine (ME)	N	0	0	0	0	0	0	0	0
21.	Maryland (MD)	N	0	0	0	0	0	0	0	0
22.	Massachusetts (MA)	N	0	0	0	0	0	0	0	0
23.	Michigan (MI)	L	268,773,592	216,993,235	0	19,887,337	0	0	505,654,164	0
24.	Minnesota (MN)	N	0	0	0	0	0	0	0	0
25.	Mississippi (MS)	N	0	0	0	0	0	0	0	0
26.	Missouri (MO)	N	0	0	0	0	0	0	0	0
27.	Montana (MT)	N	0	0	0	0	0	0	0	0
28.	Nebraska (NE)	N	0	0	0	0	0	0	0	0
29.	Nevada (NV)	N	0	0	0	0	0	0	0	0
30.	New Hampshire (NH)	N	0	0	0	0	0	0	0	0
31.	New Jersey (NJ)	N	0	0	0	0	0	0	0	0
32.	New Mexico (NM)	N	0	0	0	0	0	0	0	0
33.	New York (NY)	N	0	0	0	0	0	0	0	0
34.	North Carolina (NC)	N	0	0	0	0	0	0	0	0
35.	North Dakota (ND)	N	0	0	0	0	0	0	0	0
36.	Ohio (OH)	N	0	0	0	0	0	0	0	0
37.	Oklahoma (OK)	N	0	0	0	0	0	0	0	0
38.	Oregon (OR)	N	0	0	0	0	0	0	0	0
39.	Pennsylvania (PA)	N	0	0	0	0	0	0	0	0
40.	Rhode Island (RI)	N	0	0	0	0	0	0	0	0
41.	South Carolina (SC)	N	0	0	0	0	0	0	0	0
42.	South Dakota (SD)	N	0	0	0	0	0	0	0	0
43.	Tennessee (TN)	N	0	0	0	0	0	0	0	0
44.	Texas (TX)	N	0	0	0	0	0	0	0	0
45.	Utah (UT)	N	0	0	0	0	0	0	0	0
46.	Vermont (VT)	N	0	0	0	0	0	0	0	0
47.	Virginia (VA)	N	0	0	0	0	0	0	0	0
48.	Washington (WA)	N	0	0	0	0	0	0	0	0
49.	West Virginia (WV)	N	0	0	0	0	0	0	0	0
50.	Wisconsin (WI)	N	0	0	0	0	0	0	0	0
51.	Wyoming (WY)	N	0	0	0	0	0	0	0	0
52.	American Samoa (AS)	N	0	0	0	0	0	0	0	0
53.	Guam (GU)	N	0	0	0	0	0	0	0	0
54.	Puerto Rico (PR)	N	0	0	0	0	0	0	0	0
55.	U.S. Virgin Islands (VI)	N	0	0	0	0	0	0	0	0
56.	Northern Marianas Islands (MP)	N	0	0	0	0	0	0	0	0
57.	Canada (CAN)	N	0	0	0	0	0	0	0	0
58.	Aggregate other alien (OT)	X X X	0	0	0	0	0	0	0	0
59.	Subtotal	X X X	268,773,592	216,993,235	0	19,887,337	0	0	505,654,164	0
60.	Reporting entity contributions for Employee Benefit Plans	X X X	0	0	0	0	0	0	0	0
61.	TOTAL (Direct Business)	(a) ... 1	268,773,592	216,993,235	0	19,887,337	0	0	505,654,164	0

DETAILS OF WRITE-INS										
5801.		X X X	0	0	0	0	0	0	0	0
5802.		X X X	0	0	0	0	0	0	0	0
5803.		X X X	0	0	0	0	0	0	0	0
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X	0	0	0	0	0	0	0	0
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.  
Explanation of basis of allocation of premiums by states, etc.: All premiums are written in the State of Michigan

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART



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